



# THE VIRGINIA MEDICAID PROGRAM AT A GLANCE \*

February 2012



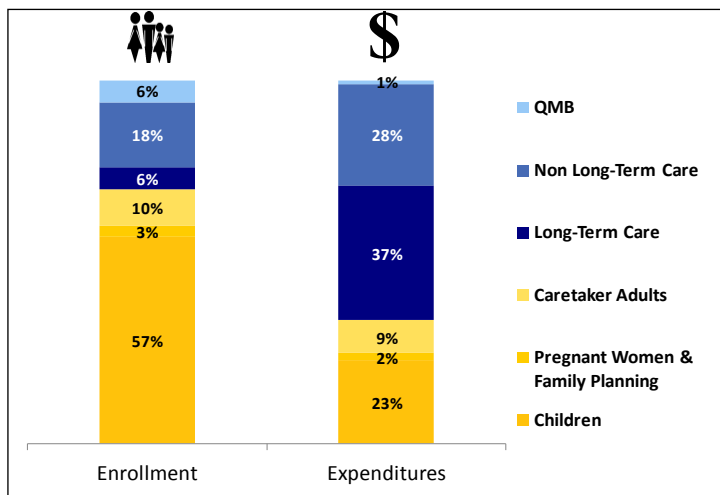
## Introduction:

Authorized under Title XIX of the Social Security Act, Medicaid is an entitlement program financed by the state and federal governments and administered by the states. The Virginia Medicaid program is administered by the Department of Medical Assistance Services (DMAS).

Federal financial assistance is provided to states for coverage of medical services for specific groups of low-income people.

## Who Is Covered by Medicaid?

While Medicaid was created to assist people with low-income, coverage is dependent upon other criteria as well. Eligibility is primarily for individuals falling into particular categories, such as low-income children, pregnant women, the elderly, persons with disabilities, and parents meeting specific income thresholds. Within federal guidelines, states set their own income and asset eligibility criteria for Medicaid, which results in a large variation among the states as to who is eligible. In Virginia, income and resource requirements vary by category.



The Virginia Medicaid population in state fiscal year 2011\* was comprised of:

- 591,360 children,
- 178,909 parents or caregivers of children and pregnant women,
- 82,885 elderly persons,
- 207,686 persons with a disability.

Children and parents/caregivers of children make up

70 percent of the Medicaid beneficiaries, but account for a little more than one-third of Medicaid spending.



Seniors and individuals who have disabilities account for the majority of Medicaid spending due to the intensive use of more costly acute and long-term care services.

## What Services Are Covered Under Medicaid?

As permitted under federal law, the Virginia Medicaid program covers a broad range of services, with nominal cost sharing for some of the beneficiaries. The Virginia Medicaid program covers all of the federally mandated services, which include, but are not limited to:

- Inpatient and outpatient hospital services,
- Emergency hospital services,
- Physician and nurse midwife services,
- Federally qualified health centers and rural health clinic services,
- Laboratories and x-ray services,
- Transportation services,
- Family planning services and supplies,
- Nursing facility services,
- Home health services (nurse, aide), and
- Early and Periodic Screening, Diagnosis, and Treatment program for children ("EPSDT").

Virginia Medicaid also covers several optional services, including, but not limited to:

- Certified pediatric nurse and family nurse practitioner services,
- Routine dental care for persons under age 21,
- Prescription drugs,
- Rehabilitation services such as physical therapy (PT), occupational therapy (OT), and speech language pathology (SLP) services,
- Home health services (PT, OT, SLP),
- Hospice,
- Some mental health services,
- Some substance abuse services; and

*\*This does not include individuals enrolled in the Family Access to Medical Insurance Security (FAMIS) or Medicaid Expansion Programs.*

- Intermediate care facilities for persons with developmental and intellectual disabilities and related conditions.

Medicaid beneficiaries also receive coverage through home and community-based “waiver” programs. These waivers provide community-based long-term care services as an alternative to institutionalization. The following waiver programs are available to Medicaid beneficiaries who meet the level of care criteria:

- HIV/AIDS Waiver,
- Alzheimer’s Waiver,
- Day Support for Persons with Intellectual Disabilities Waiver,
- Elderly or Disabled with Consumer-Direction Waiver,
- Intellectual Disabilities Waiver,
- Technology Assisted Waiver, and
- Individual and Family Developmental Disabilities Support Waiver.

### *How is Care Delivered Under Virginia Medicaid?*

DMAS provides Medicaid to individuals through two delivery models: a managed delivery model that utilizes contracted managed care organizations (MCO) or a primary care case management (PCCM) system; and a fee-for-service (FFS) model, where service providers are reimbursed directly by DMAS.

The MCO program started in 1996, and is available in most regions of the state. As of October 2011, 491,710 Medicaid beneficiaries were enrolled in managed care (60 percent of total beneficiaries), 49,715 beneficiaries enrolled in the PCCM program (6 percent of total beneficiaries), and 282,763 beneficiaries enrolled in the FFS program (34 percent of total beneficiaries).

Another delivery option for long-term care recipients is the Program for All-Inclusive Care for the Elderly (PACE). PACE is designed to allow Medicaid eligible individuals aged 55 or older, who meet the nursing facility level of care, to access comprehensive coordinated care in their homes and communities. There are currently eight PACE programs across the Commonwealth.

### *Medicaid Expenditures and Enrollees*

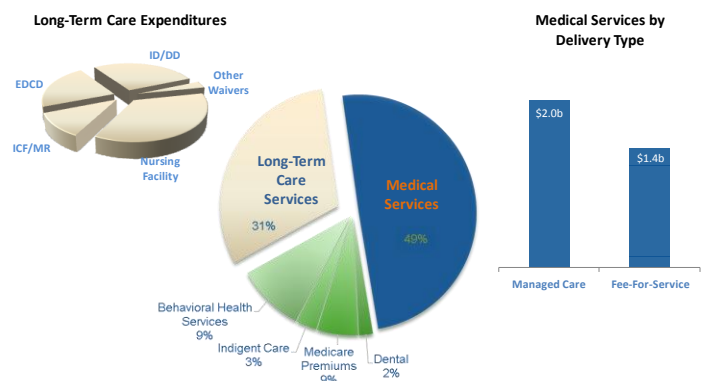
Over the past ten years, the average number of people enrolled in the Virginia Medicaid program each month has increased by 68 percent. The overall increase has been driven primarily by the growing number of individuals who have a disability, as well as an

expansion in children’s enrollment. Despite the enrollment growth, Virginia’s eligibility criteria are among the strictest in the nation.

In addition to population increases, expenditures have increased as well, albeit consistent with those of other states. Expenditure levels are affected by population and economic changes, such as health care cost inflation, as well as by advances in health care delivery and program changes directed by federal and state law makers.

The chart below illustrates the percentage of expenditures by category of service for State FY2011.

### **DMAS State FY2011 Medical Expenditures Composition**



In comparison to other states, Virginia’s rate of growth in expenditures is comparable; however, the absolute level of spending remains low.

- Virginia has higher than average per capita income (ranked 8<sup>th</sup> in 2010), yet Virginia ranks 24<sup>th</sup> in Medicaid spending per recipient (2008).
- Virginia ranks near the lowest levels nationally regarding Medicaid spending per capita (48<sup>th</sup> in 2009).

In FY 2011, 1.6 % of the total DMAS budget was allocated toward administrative expenses



***DMAS Mission: To provide a system of high quality and comprehensive health services to qualifying Virginians and their families.***